

Ohio DAS Updates and Sets New Rules for the EDGE, MBE, and WBE Programs



Peter D. Welin, William Beckley, John Gambill | Monday, October 26, 2020

The Ohio Department of Administrative Services (DAS) has adopted updated rules for the State's Minority Business Enterprise (MBE) and Encouraging Diversity, Growth, and Equity (EDGE) programs, and established rules for the new Women's Business Enterprise (WBE) program.

With respect to the MBE program, the most notable update involves an effort to curtail front companies and pass-through entities that adversely impact legitimate MBE companies. The updated rules will require MBEs to demonstrate a commercially useful function that is actively involved in the performance of a contract. This requirement already exists for EDGE companies, but is now being expanded to MBEs.

In addition, the DAS adopted new rules for the certification of WBE businesses. This certification validates ownership that women may use for opportunities in Ohio, as well as other states with which Ohio is actively seeking reciprocity agreements.

The updated and new rules contain numerous additional changes, including:

- Elimination of the 10-year EDGE participation limit.
- Business owners will be required to meet the Commercially Useful Function standard.
- Preference for small businesses by adopting the SBA 8(A) size standards.
- Eliminating board member restrictions for MBE or EDGE companies.
- Increased accountability for violation of program compliance.
- Recertification requirements arise every six years.

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- Additional documentation required for recertification.
- Limiting bidding by MBE-certified companies to areas of expertise.

The new rules are effective as of October 9, 2020.

If you have any questions on the updated or new rules and how they affect your business, please contact one of the attorneys below.



Peter D. Welin

[Team member bio](#)



William Beckley

[Team member bio](#)



John Gambill

[Team member bio](#)